United Nations A/AC.109/2013/9

General Assembly

Distr.: General
1 March 2013

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

British Virgin Islands

Working paper prepared by the Secretariat

Contents

		Page
	The Territory at a glance	3
I.	Constitutional, political and legal issues	4
II.	Budget	5
III.	Economic conditions	5
	A. General	5
	B. Financial services	5
	C. Tourism	5
	D. Agriculture and fisheries	6
	E. Communications and infrastructure	6
IV.	Social conditions	7
	A. Labour and immigration	7
	B. Education	7
	C. Public health	8
	D. Crime and public safety	8

Note: The information contained in the present paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 21 December 2012. Further details are contained in previous working papers available from www.un.org/en/decolonization/workingpapers.shtml.

13-24521 (E) 130313

Please recycle

E. Human rights 10
V. Environment 10
VI. Relations with international organizations and partners 11
VII. Future status of the Territory 11
A. Position of the territorial Government 11
B. Position of the administering Power 12
C. Action by the General Assembly 12

The Territory at a glance

Territory: The British Virgin Islands is a Non-Self-Governing Territory under the Charter of the United Nations administered by the United Kingdom of Great Britain and Northern Ireland.

Representative of administering Power: Governor William Boyd McCleary (August 2010).

Geography: Located approximately 100 km east of Puerto Rico and 25 km from the United States Virgin Islands, the Territory comprises a group of some 50 islands, islets and cays that form an archipelago with the United States Virgin Islands. Twenty of the islands are inhabited. The major islands are Tortola, Virgin Gorda, Anegada and Jost Van Dyke.

Land area: 153 km².

Exclusive economic zone: 80,117 km².[a]

Population: 28,103 (2011 estimate), of which some 40 per cent are citizens, or "belongers". The great majority of "non-belongers" hail from countries in the region, North America and Europe.

Language: English.

Capital: Road Town, located on the largest island, Tortola.

Head of territorial Government: Premier Daniel Orlando Smith.

Main political parties: National Democratic Party; Virgin Islands Party.

Elections: Most recent — November 2011; next — December 2015.

Legislature: 15-member unicameral House of Assembly.

Gross domestic product per capita: $32,579 (2011 estimate).

Economy: Financial services and tourism.

Main trading partners: The United States of America, the United Kingdom and the Caribbean Community (CARICOM).

Unemployment rate: 3.1 per cent.

Monetary unit: United States dollar.

Brief history: The earliest known inhabitants of the Territory were the Arawaks and the Caribs, indigenous peoples of the region. The Dutch established the first permanent European settlement in 1648. British planters took control of the islands in 1666 and the Territory attained the status of a British colony.

[a] Exclusive economic zone data from "Sea around Us" Project, a collaboration between the University of British Columbia and the Pew Environment Group (www.seaaroundus.org).

I. Constitutional, political and legal issues

1. Under the Virgin Islands Constitution Order 2007, the British crown appoints a Governor with responsibilities for defence, internal security, external affairs, public service and the administration of the courts. In the areas of internal security and external affairs, the Constitution provides for the territorial Government to have formal input. There is a reservation for the British crown to make laws for the peace, order and good government of the Virgin Islands. In terms of external relations, the British Virgin Islands is entrusted to negotiate treaties in specific areas such as certain offshore financial matters.

2. The 2007 Constitution led to the introduction of a cabinet-style Government. The Cabinet consists of the Premier, appointed by the Governor from among the elected members of the House of Assembly; four other Ministers, appointed by the Governor on the advice of the Premier; and one ex officio member — the Attorney General. The Governor attends and presides over the Cabinet. The agenda is agreed by the Cabinet Steering Committee, consisting of the Governor, the Premier and the Cabinet Secretary. The House of Assembly consists of a Speaker, the Attorney General (ex officio) and 13 elected members — 9 from one-member electoral districts and 4 representing the Territory at large.

3. General elections must be held at least once every four years. Candidates are elected on the basis of a simple majority. Persons voting must be 18 years of age or over and have "belonger" status. Belonger status includes the right to work without a permit and the right to vote. In practice, a person must reside continuously in the Territory for 20 years before he or she may apply for permanent residence and, subsequently, belonger status. In the general election held on 7 November 2011, the National Democratic Party, at that time the opposition party, won a majority of seats — 9 out of 13. Its leader, Daniel Orlando Smith, became the new Premier. The Virgin Islands Party won the remaining four seats.

4. The law of the British Virgin Islands comprises the common law of England, locally enacted legislation and imperial legislation. Justice is administered by the Saint Lucia-based Eastern Caribbean Supreme Court, which consists of the High Court of Justice and the Court of Appeal. According to the administering Power, there are three resident High Court judges and a visiting Court of Appeal, which comprises the Chief Justice and two judges of appeal and sits twice a year in the Territory. There is also a magistrates court, which hears prescribed civil and criminal cases, as well as a juvenile court and a court of summary jurisdiction. The United Kingdom Privy Council is the final court of appeal. The British Overseas Territories Act 2002 provides for the granting of British citizenship to "British Overseas Territory citizens".

5. Speaking at the Pacific regional seminar held in Quito from 30 May to 1 June 2012, the representative of the British Virgin Islands stated that the Territory's position was to maintain its current relationship with the administering Power, built on mutual respect and a mature partnership, as the Territory continued to grow and generations of British Virgin Islanders attained higher levels of education.

II. Budget

6. According to the Government of the British Virgin Islands, the estimated expenditures of the Territory for 2011 amounted to approximately $260 million, including revenues of about $288 million. Expenditures and revenues for 2012 were estimated at $258 million and $287 million, respectively.

7. The Territory collects stamp duties on certain transactions and property taxes; however, there are no income, value added or goods and services taxes. According to the report issued in December 2011 by the Education International Research Institute on behalf of the Council of Global Unions entitled "Global Corporate Taxation and Resources for Quality Public Services", the British Virgin Islands is a jurisdiction with extremely low corporate taxes.

8. Several tax information exchange agreements have been signed by the British Virgin Islands, including with the United Kingdom. According to the administering Power, a tax agreement was signed with the Czech Republic in 2011.

III. Economic conditions

A. General

9. According to information provided by the United Kingdom, the two main pillars of the Territory are tourism and offshore financial services, which combined contribute over half of the gross domestic product (GDP). Tourism contributes just over 30 per cent of GDP, while financial services contribute approximately 20 per cent. According to the Economic Intelligence Unit, the GDP estimate for 2011 was $916 million, indicating nominal growth of 2.4 per cent, corresponding to 0.6 per cent of real growth. During his speech on the budget for 2013, the Premier announced that economic growth in 2012 had been estimated at 4 per cent in nominal terms (1.8 per cent in real terms). Imports consist mostly of food, machinery and fuel.

B. Financial services

10. According to media reports, approximately 2,900 hedge funds were registered with the British Virgin Islands Financial Services Commission in 2011. According to the aforementioned report issued by the Education International Research Institute, the British Virgin Islands is one of the world's largest corporate investors in China. According to Oxford Analytica, as at July 2012 the British Virgin Islands had a 45 per cent share of the international business company market. Information contained in *The Commonwealth Yearbook 2012* indicates that, as at mid-2009, some 405,870 internationai companies had been registered.

C. Tourism

11. In 2011, the Chamber of Commerce and the Hotel Association initiated a $100,000 advertising campaign aimed at attracting more visitors to the Territory. An amendment to the tourist board ordinance granted the tourist board limited authority

to raise funds through the sale of souvenirs and other merchandising items. In addition, the territorial Government increased the board's 2011 budget to approximately $15 million.

12. The tourism sector in the British Virgin Islands continued its efforts to appeal to the high-end traveller. Approximately 831,000 tourists visited the Territory, including some 484,000 cruise ship visitors, 336,000 overnight visitors and 9,000 other visitors. Mainly as a result of the global economic downturn, the Virgin Islands suffered a decline of 3.4 per cent in cruise ship visitors but recorded a growth of 2.0 per cent in overnight visitors. According to the Government of the Virgin Islands, the direct contribution of tourism to the Territory's GDP in 2011 was $277.9 million — about 30.4 per cent of the total. The Economist Intelligence Unit estimated tourism's direct contribution to have been 19.3 per cent in 2011; according to the World Travel and Tourism Council, it might have been as high as 52 per cent once all indirectly related activities are taken into account. In addition, the tourism sector was the source of about 4,000 jobs, accounting for 21.9 per cent of total employment in 2011.

D. Agriculture and fisheries

13. Agriculture and fishing account for about 1 per cent of the Territory's GDP. Most food requirements are met through imports. Around 800 ha of land are cultivated, and another 4,000 ha are devoted to pasture. The main crops are fruits and vegetables, produced both for local consumption and for export to the United States Virgin Islands.

14. The Territory's Fisheries Act of 1997 and Fisheries Regulations of 2003 govern small-scale commercial and recreational fisheries, which serve mainly the local market.

E. Communications and infrastructure

15. The British Virgin Islands has more than 200 km of surfaced roads. According to the 2011 Speech from the Throne, the Government of the British Virgin Islands decided to develop a road classification system to help ensure the progressive improvement of the road network.

16. There are three international airports, served by 15 airlines. Direct shipping services operate from the Netherlands, the United Kingdom and the United States. A deep-water harbour is located in Road Town. A regular ferry service links Tortola with some of the islands as well as with Saint Thomas in the United States Virgin Islands. According to the Speech from the Throne, the territorial Government will expand and improve the appearance and functionality of existing port facilities, notably through the building of a new ferry terminal at West End.

17. Physical planning in the British Virgin Islands is governed by the Physical Planning Act of 2004, under which all development in the Territory must be approved by the Physical Planning Authority. According to the 2011 Speech from the Throne, the Government of the British Virgin Islands has found that the absence of planning regulations has limited the effectiveness of the Act. Consequently, it is working on regulations that would replace the Land Development Control

Guidelines 1972 and address such areas as the procedures for environmental impact assessments, the regulation of the subdivision of land and the preservation of buildings and sites.

IV. Social conditions

A. Labour and immigration

18. Since 2009, the British Virgin Islands has experienced an average decline of 1.5 per cent in its employed population. In 2011, the employed population of the British Virgin Islands was 18,238 persons, of which 28 per cent were local workers and 72 per cent expatriate workers. The main employers are the territorial Government, financial services, wholesale and retail trade entities and the tourism and construction sectors. On average, an employed person in the Territory earned $24,328 in 2011. Based on the Government of the British Virgin Islands definition of a small business (seven or fewer employees), small businesses provided approximately 20 per cent of the jobs in the Territory.

19. Unemployment increased throughout 2010, particularly among youth. According to the 2011 Speech from the Throne, the development of a national youth policy is a priority of the territorial Government. According to media reports, in 2011 the Ministry of Education and Culture invited unemployed youth between the ages of 18 and 30 to register online with a youth unemployment register. The register is expected to help the Government assess the status of disadvantaged and unemployed youth and serve as a medium to support young workers while integrating youth into the labour market.

20. Work permit exemptions are granted by the territorial Government on the basis of enrolment in the school system — entrance at the primary level and completion at the secondary level — marriage to a belonger for a period of not less than three years and residency in the Territory of the British Virgin Islands for 20 years or more by a person who has demonstrated good character. The number of exemptions granted is considered on an annual basis.

B. Education

21. According to the 2011 Speech from the Throne, when the Education Act was passed in 2004, it was intended that related regulations would follow. Extensive consultations on such regulations were held with stakeholders for a review of recommendations in 2011/12. The regulations are expected to provide guidance to the education system and its stakeholders regarding the implementation of programmes and services, the monitoring of the delivery of education programmes operated under the Act, and the conduct of school supervision, including complaint investigations requested by the public.

22. Primary and secondary education is free and compulsory for children between 5 and 16 years of age, and "A-level" education is also free. There are public and private primary and secondary schools on Tortola, Anegada, Virgin Gorda and Jost Van Dyke. According to the Government of the British Virgin Islands, in 2011 the Territory's secondary-school enrolment rate was between 80 and 90 per cent. The

comprehensive H. Lavity Stoutt Community College at Paraquita Bay offers university-parallel, technical-vocational and adult continuing education programmes.

C. Public health

23. According to the Government of the British Virgin Islands, infant mortality is very low and life expectancy is high, at about 80 years. The Health Services Authority of the Territory, an autonomous corporate body, was established in 2005 to manage all public health-care delivery services for the Ministry of Health and Social Development.

24. According to media reports, in 2011 the design of the national health insurance system was under way, with three phases already completed. The Cabinet had decided that the system would be administered as a new division of the Social Security Board.

25. According to the 2011 Speech from the Throne, the territorial Government recognized the need to improve the standard and delivery of mental health services throughout the Territory. To that end, a review of the mental health system was conducted in the light of modern advances in the field of psychiatry and relevant international human rights commitments and obligations, with assistance from the Pan American Health Organization.

26. The United Nations Children's Fund provides general background information with respect to the British Virgin Islands in its draft Eastern Caribbean multi-country programme document.

27. In a communiqué of the Joint Ministerial Council dated 5 December 2012, the political leaders and representatives of the United Kingdom and overseas territories, including the British Virgin Islands, agreed on the importance of health security and on achieving compliance with the requirements of the International Health Regulations of the World Health Organization by June 2014. They also agreed to identify and make use of all available sources of assistance, in particular from regional and global health organizations such as PAHO and United Nations agencies, to share best practices on health strategies and processes, with special emphasis on the treatment and care of non-communicable diseases, and to improve representation of the Territories and linkages with the work of global and regional health bodies.

D. Crime and public safety

28. According to the United Kingdom, crime has been rising in line with the population over the past six years; this trend continued in 2012, possibly owing to other factors. An increase in domestic violence may account for some of this increase, as there is now a greater emphasis on enforcement and thus on recording as a result of new legislation and a new policy. Increases in cases of "domestic burglary" and "theft from vehicle" are in line with the likely impact of the economic downturn and increased unemployment on acquisitive crime in general. Together, these factors may account for the continued rise in reported crime despite the small decrease in the population reported in 2012. It is certainly the case that reports of crime, although on the increase, are increasing at a lower rate than they have during the past six years.

29. With the support of the Royal Virgin Islands Police Force, the problem is being addressed by the territorial Government. The Police Force has produced a three-year strategic plan that aims to ensure that the Territory remains "the safest environment in the Caribbean". In addition to undertaking a huge training programme aimed at increasing professionalism, technical knowledge and ability and at improving the standards of management and supervision, the Police Force has been working towards greater community integration and involvement through neighbourhood policing. At the same time, the Police Force has been exploring innovative ways of improving public safety generally by considering a Territory-wide public safety camera scheme, the electronic tagging of offenders and an improved system for the handling of detained persons by the Police Force.

30. Working with the Governor and the Premier, the Police Force has engaged in a process of consultation with a view to delivering a community safety and crime reduction strategy early in 2013. Led by the Office of the Governor and assisted by members of the Police Force, this widespread consultation is taking place across all sectors of the community, seeking views and gaining community involvement. Ultimately, it is proposed that a multi-agency approach will be adopted for coordinating all aspects of government with community groups and other non-governmental organizations to create collective responsibility for community safety.

31. The drive to strengthen the criminal justice system continues, with the Territorial Government introducing several pieces of legislation in recent months. These include the Justice Protection Act and the Domestic Violence Act. Currently pending in the House of Assembly is the Police (Amendment) Act and the Authorization of Surveillance Devices Act. In addition, the codes of practice for the detention, treatment and questioning of detained persons by police officers have been drafted and are waiting submission to the Assembly.

32. Seven police officers from the United Kingdom (including the Acting Commissioner of Police) have been contracted. All the officers except the Acting Commissioner have been selected to work in specialist areas in the Territory, alongside their local counterparts, to help enhance skills and capabilities in various areas, including crime scene investigation, marine policing, covert operations, organizational development and murder investigation. An additional two specialists from the United Kingdom have been recruited recently, one of whom is a specialist in crime scene management and the other in technical surveillance. All of the currently contracted officers have assisted with the training courses undertaken over the past 18 months, which have culminated in a major skills-based promotion process and a train-the-trainer package intended to maintain momentum.

33. Since 2008, the British Virgin Islands has worked with the Caribbean Financial Action Task Force, an organization with 29 members, to implement common measures to address the problem of money-laundering and demonstrate the Territory's continuing commitment to maintaining an internationally robust legal and regulatory regime for combating money-laundering and the financing of terrorism. The Territory hosted the thirty-sixth plenary meeting of the Task Force, at which the Financial Services Commission and the Financial Intelligence Agency of the Territory agreed to the protocols and recommendations contained in the Financial Action Task Force's report of February 2012, entitled *International Standards on Combating Money Laundering and the Financing of Terrorism and*

Proliferation: The FATF Recommendations. The Police Force continues to work closely with these agencies, seeking to apply recommendations 30 and 31, which relate to law enforcement, and developing strategic intelligence in the field.

34. Working in partnership with the Serious Organised Crime Agency of the United Kingdom, the United States and other Caribbean law enforcement agencies, the Royal Virgin Islands Police Force has continued to tackle transnational serious organized crime that affects not only the Territory but also the region. Operations have resulted in the seizure of large quantities of illegal narcotics and arrests. At the fifth meeting of the Inter-Virgin Islands Council, the British Virgin Islands and the United States Virgin Islands signed a memorandum of understanding on sharing DNA data (see para. 44 below). Recent successful operations have resulted in important seizures of cocaine, cannabis and cash.

E. Human rights

35. In 2011, a national policy on gender equity and equality was developed. Some of the objectives include the education and change of public attitudes on gender roles and responsibilities and the development of new strategies to eliminate domestic and other forms of gender-based violence and discrimination in the Territory.

36. The following major human rights conventions have been extended to the British Virgin Islands: the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, the Convention on the Rights of the Child, the International Convention on the Elimination of All Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination against Women and the European Convention on Human Rights.

37. According to the information contained in *Human Rights and Democracy: the 2011 Foreign and Commonwealth Office Report*, issued in 2012, the protection and promotion of human rights in each territory is primarily the responsibility of the territorial government, while the Government of the United Kingdom is ultimately responsible for ensuring that the territories fulfil their obligations arising from international human rights treaties that have been extended to them.

V. Environment

38. The British Virgin Islands has acceded to several multilateral environmental agreements, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Convention on Biological Diversity and the Convention on Wetlands.

39. The Conservation and Fisheries Department of the Territory's Ministry of Natural Resources and Labour is responsible for the sustainable management of the Territory's natural resources. Adapting the Territory to climate change and the multiple threats it poses to terrestrial and marine life are important parts of the Ministry's mandate. Under the auspices of the Review of the Economics of Climate Change in the Caribbean project, the Department in 2011 hosted a technical training

workshop facilitated by the Economic Commission for Latin America and the Caribbean (ECLAC) on climate change and its economic impact on the marine and coastal areas of the British Virgin Islands. Under the Comprehensive Disaster Management Work Programme, a workshop was held in 2011 to develop climate-smart work programmes and to identify existing and alternative adaptation options for the Territory.

40. In January 2013, the Department for Environment, Food and Rural Affairs of the United Kingdom issued a paper entitled "The environment in the United Kingdom's overseas territories: UK Government and civil society support" on the advice and support available to the Territories in areas of its competency, and highlighted the availability of departmental funds for that purpose.

VI. Relations with international organizations and partners

41. The British Virgin Islands has associate membership in ECLAC, the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization.

42. The Territory is an associate member of CARICOM, the Caribbean Common Market, and the Organization of Eastern Caribbean States and is a borrowing member of the Caribbean Development Bank. A joint observer mission was organized by CARICOM and the Commonwealth Parliamentary Association in connection with the 2011 general elections.

43. As a Non-Self-Governing Territory of the United Kingdom, the British Virgin Islands is associated with the European Union but is not a part of it.

44. In 2012, the Premier of the British Virgin Islands and the Governor of the United States Virgin Islands participated in the fifth meeting of the Inter-Virgin Islands Council, which was held in the United States Virgin Islands. Topics such as the development of clean energy resources, cultural preservation, educational and higher learning opportunities for young people, commercial fishing and marine regulations, combating crime and gangs, and the development of common interests in tourism were discussed. A memorandum of understanding on DNA evidence analysis was signed between the respective police departments.

45. In the communiqué of the Joint Ministerial Council of December 2012, the political leaders and representatives of the United Kingdom and overseas territories, including the British Virgin Islands, agreed to work together to further develop links with the United Nations and its agencies and regional partners, in particular in the Caribbean, and expressed the belief that the Decolonization Committee of the United Nations should delist Territories where this was their wish.

VII. Future status of the Territory

A. Position of the territorial Government

46. The position of the territorial Government regarding the future status of the British Virgin Islands is reflected above under section I on constitutional issues.

B. Position of the administering Power

47. On 11 October 2012, the representative of the United Kingdom made a statement before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-seventh session of the General Assembly. According to the record of the meeting (A/C.4/67/SR.5), the representative stated, among other things, that the Government of the United Kingdom maintained its long-standing position on independence for the Territories. Any decision to sever the constitutional link between the United Kingdom and a territory should be taken on the basis of the clear and constitutionally expressed wish of the people of that territory. Where independence was an option and it was the clear and constitutionally expressed wish of the people to pursue independence, the Government of the United Kingdom would meet its obligations to help the Territory to achieve it.

48. Further, the representative referred to the white paper that the Government of the United Kingdom had published in June 2012 confirming the Government's commitment to maintaining the overall relationship between the United Kingdom and the territories. In the introduction, the Government expressed the belief that the fundamental structure of the constitutional relationships was the right one: powers were devolved to the elected Governments of the territories to the maximum extent possible consistent with the United Kingdom retaining powers necessary to discharge its sovereign responsibilities, including to ensure that constitutional arrangements worked effectively to promote the best interests of the territories and of the United Kingdom. The Government recognized that it was important to continue to reflect on the constitutional relationship and would ensure that a dialogue on these issues was sustained with all those territories that wished to engage.

49. The representative went on to say that in the white paper it had been made clear that the fundamental responsibility and objective of the Government of the United Kingdom was to ensure the security and good governance of the territories and their peoples. That responsibility flowed from international law, including the Charter of the United Nations. Being an overseas territory of the United Kingdom also entailed responsibilities, however. The Government of the United Kingdom expected territorial Governments to meet the same high standards as it did in maintaining the rule of law, respect for human rights and integrity in public life, delivering efficient public services and building strong and successful communities. The Government of the United Kingdom would take firm and resolute action wherever there was evidence of corruption or maladministration in a territory. The representative concluded that the relationship between the United Kingdom and its overseas territories continued to be a modern one based on partnership, shared values and the right of each territory to determine whether it wished to stay linked to the United Kingdom or not. For as long as the overseas territories of the United Kingdom wished to retain that link, the Government of the United Kingdom would remain committed to their future development and continued security.

C. Action by the General Assembly

50. On 18 December 2012, the General Assembly adopted, without a vote, resolutions 67/132 A and B, based on the report of the Special Committee (A/67/23) and the subsequent recommendation by the Fourth Committee. Section IV of

resolution 67/132 B concerns the British Virgin Islands. In the operative paragraphs of that section, the Assembly:

1. *Recalls* the Constitution of the British Virgin Islands, which took effect in 2007, and stresses the importance of continued discussions on constitutional matters, to accord greater responsibility to the territorial Government for the effective implementation of the Constitution and increased levels of education relating to constitutional matters;

2. *Requests* the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 *b* of the Charter, and in that regard calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

3. *Welcomes* the efforts made by the Territory to strengthen its financial services and tourism sectors;

4. *Also welcomes* the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;

5. *Further welcomes* the holding, for the first time at the level of heads of territorial Government, on 12 May 2011, of the meeting of the Inter-Virgin Islands Council between the Territory and the United States Virgin Islands.